

State of Utah

Division of Facilities Construction
& Management

Annual Report

January 2005



TABLE OF CONTENTS

- I. A Message from DFCM's Director
- II. Executive Summary
- III. Internal Service Fund Overview
- IV. Program Descriptions and Accomplishments
 - Facilities Management
 - Electronics Resource Group
 - Customer Service
 - Employee Development
- VI. Statewide Facility Focus Program
- VII. Challenges and Opportunities for the Future

Utah State Building Board
4110 State Office Building
Salt Lake City, Utah 84114

Subject: Internal Service Fund Annual Report

Dear Utah State Building Board Members:

The attached Annual Report has been prepared to detail the Division of Facilities Construction and Management's Internal Service Fund progress during the past year. The Division takes pride in the accomplishments of Facilities Management employees and the professional and innovative ways in which they fulfill their responsibilities.

This report chronicles the activities of the following programs that assist in the maintenance of state-owned buildings.

Facilities Management
Energy Conservation
Electronics Resource Group
Statewide Facility Focus

The summaries for each of these programs include objectives for the year, as well as comparisons from past years. The Annual Report illustrates that the ISF program continues to increase its statewide presence through its building management services, as well as its statewide Facility Focus program. In addition, this Report addresses new issues that have arisen during the year and those that appear to have a potential impact on the Division.

If you have any questions regarding this Report, or if any additional information is needed, please contact me at 538-3261.

Sincerely,



F. Keith Stepan
DFCM Director

EXECUTIVE SUMMARY

The Division of Facilities Construction and Management (DFCM) is charged with the responsibility of maintaining the state's inventory of buildings. DFCM provides many different services to support these state-owned facilities. The following Annual Report describes the responsibilities and achievements of the past year for the groups that comprise the Division's Facilities Management Internal Service Fund.

Building Management

DFCM provides building management for over 140 buildings throughout the state. In addition to the traditional maintenance services, DFCM provides its customer agencies with administrative assistance such as developing annual capital improvement funding requests, and providing project management services for building modifications. In addition, DFCM provides energy management services and centralized contract and accounting services for all related operation and maintenance expenses.

Electronics Resource Group

Automation continues to affect every part of modern life, including the systems that control heating and air conditioning, security and access, lighting, etc. The Electronics Resource Group was developed to provide support for DFCM managed buildings, and buildings managed by other state agencies or institutions. This group also provides inspection and trouble shooting services for fire suppression systems, video monitoring, and backflow preventers.

Statewide Facility Focus Program

DFCM purchased and began implementing a computerized maintenance management system in 1999 called Facility Focus. This database system assists the agency in the overall management and oversight of state facilities. In 2003, DFCM secured a statewide site license for the product and offered the program to all state agencies and universities at a very attractive cost. While this effort has been ongoing for less than two years, several agencies and institutions have joined the program. The progress to date continues to exceed expectations. As participation continues to increase throughout the state, user costs should decrease as expenses are shared across a larger base.

Employee Development

Facilities Management is committed to professional development and has a variety of programs available, which cater to the broad skill range of our employees. These programs include maintenance and grounds apprenticeships, specific skill building courses for our craftsmen, support staff development, management development, and software training. Facilities Management also considers safe work practices and the employee's right to know a priority. To accomplish this, annual safety, First Aid and OSHA compliance training and testing is conducted. In addition, monthly publications in a range of subjects are available so employees always have access to updated information. We encourage our employees to seek training opportunities and are open to their suggestions and requests.

Challenges and Opportunities for the Future

Energy consumption continues to be a major focus of the organization. With the continual rate increases and fluctuation of utility costs, Facilities Management will continue to focus a significant amount of time and effort in responsibly and efficiently managing resources in state facilities. Utility expenses currently account for 25 percent of the overall operating budget. Additionally, the number of buildings that DFCM manages has grown over the past ten years by over 200 percent. Ongoing forward planning to address the needs of future growth is important. Delegation of maintenance responsibilities, heightened security awareness, and disaster planning will all continue to be major issues in the coming year.

The Internal Service Fund (ISF) is a part of the Division of Facilities Construction and Management (DFCM). It includes several subgroups within the Division, each with very different responsibilities. However, these groups are linked by their common responsibility of ensuring that buildings are safe and functioning properly.

Organizational Structure

The groups working within the ISF include the following:

Facilities Management: Directing building management in DFCM managed buildings

Electronics Resource Group (ERG): Providing automated systems support

Energy Management: Providing support and resources to address energy consumption and conservation

Overall management of these groups are the responsibility of the Facilities Management Program Director.

Funding

Funding for the ISF varies from group to group. Facilities Management, which provides complete building management services for a variety of agencies, is funded entirely from the revenues it collects from those agencies. The Electronics Resource Group is funded from savings that were realized when several vendor contracts were cancelled and the services were brought in-house.



Logan First District Courts Building

Scope of Responsibility

While the various programs within the ISF have different specialties, they also have different scopes of responsibilities. Facilities Management and the ERG only function in DFCM managed buildings. Occasionally work is done in other facilities for other agencies, but such work is done on a time and materials basis.

FACILITIES MANAGEMENT

Facilities Management has the responsibility of managing over 5.4 million square feet of space throughout the state. This amount is contained within 141 individual programs and various building types. The Division provides building management services such as corrective maintenance, preventive maintenance, management of service contracts, project management, and emergency planning. Facilities Management also provides input on the pre-design, programming, and design review phases of new construction.

Building Management

Facilities Management performs an analysis of managed buildings to determine the specific maintenance requirements of each. Once this is accomplished, maintenance personnel are assigned and service contracts are secured.

The most fundamental part of building management is maintenance – both preventive and unscheduled repairs. DFCM provides skilled craftsman on staff to perform repairs to key building systems. The Division also continues to contract with a limited number of vendors to maintain specialized equipment. However, an emphasis is placed on preventive maintenance of all building support systems to ensure the full expected equipment life and prevent premature failure. The quality of preventive maintenance performed at buildings is measured by the Statewide Preventive Maintenance Standards. A building has met these standards if it receives a score of 90 percent or higher in an audit. DFCM managed buildings continue to score above this level, indicating that the Division has met or exceeded the high standards set for preventive maintenance.

The primary tool used to assist in the management of this work is Facility Focus. Facility Focus is a comprehensive database used throughout the Division that includes a computerized maintenance management program. This system tracks work orders for buildings and automates schedules for preventive maintenance routines. By using Facility Focus, employees can track each piece of equipment and generate a past record and future schedule for its maintenance. The emphasis on preventive maintenance yields a huge cost savings in repairs and future costs. The database also aids in contract management. All service related contracts are managed within this system for content, payment, and general oversight.

Project Management

Facilities Management provides project management services and support for improvement and small remodeling projects at its managed facilities. Last year Facilities Management assisted its agency customers with over 80 requested projects at multiple locations, including life safety upgrades, tenant finishes, and energy conservation. Facilities management personnel also assisted DFCM project managers with over 50 capital improvement and development projects. The combined total of these projects was in excess of \$8,000,000.



Vernal Eighth District Courts Building

Emergency Management

DFCM has the responsibility to provide emergency response planning for its buildings. Facilities Management employees assist tenant agencies in developing evacuation plans and coordinating emergency preparations through a network of building Emergency Coordinators representing each agency that occupies the building. By meeting regularly with their Emergency Coordinators, DFCM staff can communicate emergency plans with everyone working in the building. Facilities Management employees also have assisted tenant agencies by developing an emergency contact booklet to be located near all staff telephones. Information included in these booklets is the recommended procedures for multiple types of emergencies or disasters. Each booklet is customized to the location at which it is displayed.

To provide internal emergency management preparation, DFCM has developed a software program, Facilities Disaster Response Program(FDRP), to organize its employees to respond to emergencies in managed buildings. FDRP has the means to track the condition of buildings so that the information can immediately be reported to the Emergency Services and Homeland Security Division of Public Safety. In the case of an emergency or a disaster, employees will use this program to immediately establish a command center. The software also includes all utility shutoff locations, emergency contact information for employees, the ability to track employee locations and agency response assets, and provide detailed assignments for responders.

Energy Management

Energy conservation continues to be a high priority with DFCM. Because of the large number of buildings that the Division manages, even small decreases in energy consumption can result in significant cost savings. Currently, DFCM has the responsibility to manage energy conservation at its own buildings in coordination with the State's Energy Office, which promotes conservation in buildings throughout the state.

Each year DFCM manages many energy projects at its buildings that are paid for with improvement funds. The number of projects completed each year varies with the funding available. In conjunction with project management, staff also has worked on establishing energy efficient design criteria for new buildings. These general guidelines will ensure that new buildings are designed with an eye to energy efficiency and will result in cost savings for years to come. DFCM also strives to be a leader in this area and has staff membership and participation in the Utah chapter of APEM (Association of Professional Energy Managers) and is accredited through the National Association of Energy Engineers (AEE).

Energy Conservation Plan

Staff are charged with creating the Division's Energy Conservation Plan for managed buildings. The Division's plan was developed in conjunction with former Governor Leavitt's Executive Order regarding energy usage and the Power Forward plan. DFCM's efforts have resulted in energy savings produced by such activities as the installation of occupancy sensors in conference rooms and energy misers in vending machines. Additionally, DFCM is working to develop an ongoing process for continuous commissioning of existing buildings. One such effort recently produced annual utility savings of over \$100,000 per year.

FACILITIES MANAGEMENT

Central Support Services

The Facilities Management Internal Service Fund has 141 individual cost centers. Each cost center is comprised of a building or building complex. To support the overall management of these facilities, DFCM performs central contracting and accounting as part of the services provided to its customers.

Each cost center is treated as a separate unique business entity with its own revenues, expenses, and retained earnings balance. In Fiscal Year 2004 the fund collected revenues totaling \$19,782,110 and paid expenses totaling \$19,748,462. Approximately 85,000 transactions were processed during this year by the ISF Accounting Section. This effort covers the payment of expenses and the collection of revenues associated with each program.

The ISF Accounting Section continued the document scanning of all payment and revenue documents in Fiscal Year 2004. Additionally, all utility invoices dating back to 1996 were scanned to increase accessibility and to assist in our energy management efforts. This process has resulted in an almost paperless environment for the Section. All documents are accessible over the Internet and are contained within the Division's computerized document management system.

A monthly budget report with drill down capabilities to the source document was completed and implemented in Fiscal Year 2004.

This report is accessible through the Internet, making it available to both DFCM employees and its customer agencies. This web-based reporting process makes current budget status and related documentation available for each cost center managed by the Internal Service Fund.

During the upcoming year, a monthly expense budget report with similar functionality will be completed for the grounds care operation.

DFCM currently manages 294 contracts for services such as janitorial, security, elevator maintenance, snow removal, refuse removal, etc. The contracting section continues to provide support for all statewide needs. Once a contracted service has been identified, this section performs all necessary specification preparation, advertising, and final contract preparation. Additionally, the staff also monitors and verifies payments for accuracy.

Division of Facilities Construction and Management

4110 State Office Building Salt Lake City, UT 84114

Monthly Budget Update Report

1001337 Logan Courts

Period: 5 Month: November

SQFT: 73,644

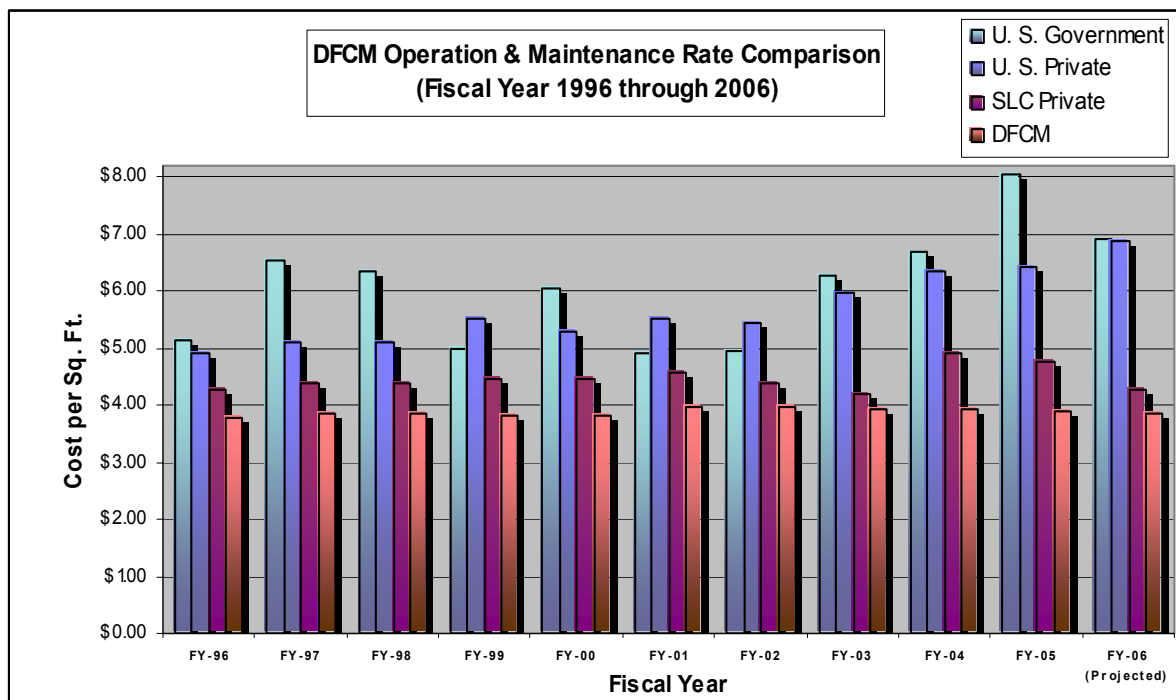
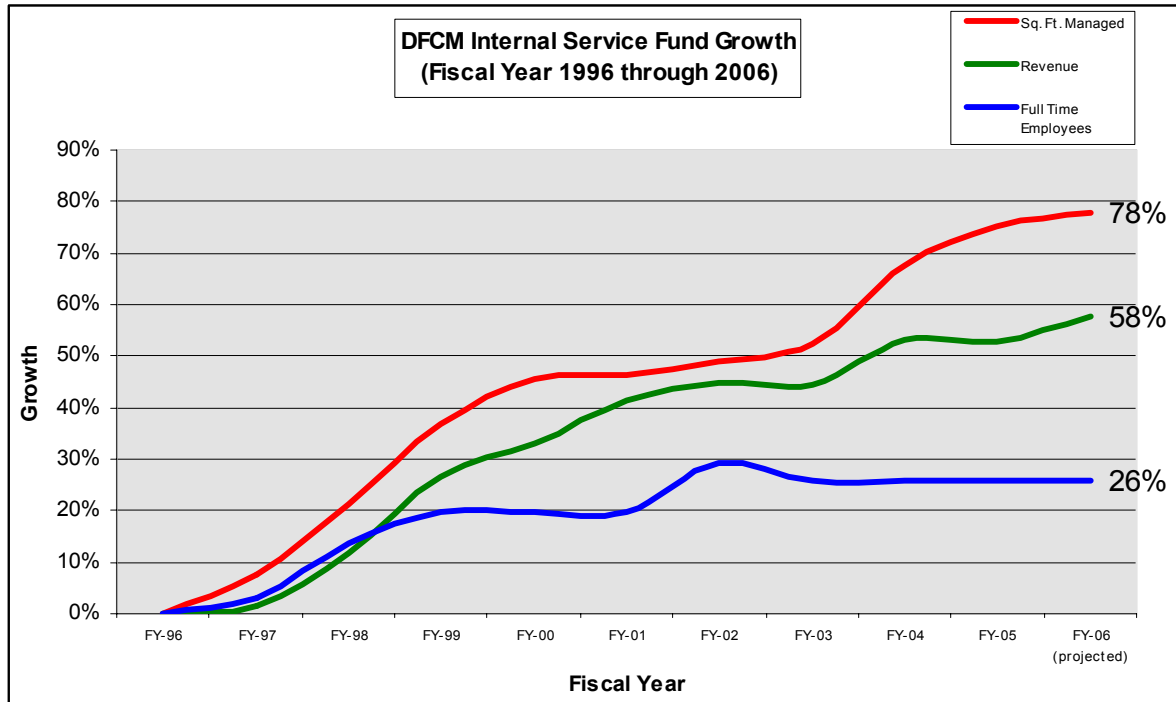
R/E: \$69,842.00

Rev: \$326,870.00

Acct Description	Annual Budget	Budget Expended Y-T-D	Current Month	Fi-Net Expenditures Y-T-D	(Over)/Under Budget To Date	Remaining Budget To Year End	Budget for December	\$ per SqFt
Personnel								
5101 Personal Services Earnings	\$39,189.00	\$13,814.12	\$2,277.82	\$8,747.96	\$5,066.16	\$30,441.04	\$4,502.82	\$0.53
5130 Overtime Paid (FLSA Exempt/Non)	\$0.00	\$0.00	\$0.00	\$333.27	(\$333.27)	(\$333.27)	\$0.00	\$0.00
5140 Comp/Excess Earned (FLSA/Non)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5147 Personal Services Cost Alloc	\$20,813.00	\$5,742.31	\$0.00	\$0.00	\$5,742.31	\$20,813.00	\$1,594.28	\$0.28
5148 Personal Srv Cost Alloc Reimb	\$0.00	\$0.00	\$2,799.37	\$8,420.76	(\$8,420.76)	\$0.00	\$0.00	\$0.00
5160 State Retirement	\$4,042.00	\$1,424.81	\$336.74	\$1,300.46	\$124.35	\$2,741.54	\$464.43	\$0.05
5170 FICA / Medicare	\$2,342.00	\$825.56	\$172.49	\$684.29	\$141.26	\$1,657.71	\$269.10	\$0.03
5180 Health/Dental/Life Insurance	\$7,975.00	\$2,811.19	\$745.12	\$2,395.25	\$415.94	\$5,579.75	\$916.33	\$0.11
5190 Employer Insurance	\$257.00	\$90.59	\$22.36	\$81.93	\$8.66	\$175.07	\$29.53	\$0.00
5199 Comp/Excess Emd-Benefit Pula Ex	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5300 State Leave Pool	\$667.00	\$235.12	\$57.77	\$198.55	\$36.57	\$468.45	\$76.64	\$0.01
Personnel Totals	\$76,386.00	\$24,943.69	\$6,411.67	\$22,162.47	\$2,781.22	\$63,122.63	\$7,863.11	\$1.02
Services								
6132 Communication Services	\$1,988.00	\$98,950.09	\$106.85	\$544.45	\$98,405.64	\$1,443.55	(\$97,959.43)	\$0.03
6135 Or Contractual Srvcs-Non Med	\$11,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,000.00	\$0.00	\$0.15
6136 Postage And Mailing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6140 Laundry/Linen & Dry Cleaning	\$2,504.00	\$595.49	\$125.40	\$435.90	\$157.59	\$2,068.10	\$814.20	\$0.03
6142 Janitorial Serv Contract	\$68,204.00	\$28,418.33	\$7,809.20	\$29,557.00	(\$1,138.67)	\$38,647.00	\$5,683.67	\$0.93
Services Totals	\$83,696.00	\$127,961.92	\$8,043.45	\$30,537.35	\$97,424.57	\$63,188.65	(\$91,461.56)	\$1.14
Rent								
6165 Rental Of Motor Pool Vehicles	\$7,263.00	\$0.00	\$324.28	\$324.28	(\$324.28)	\$6,938.72	\$0.00	\$0.10
Rent Totals	\$7,263.00	\$0.00	\$324.28	\$324.28	(\$324.28)	\$6,938.72	\$0.00	\$0.10
Maintenance								
6171 Buildings & Grounds - Or & M	\$26,550.00	\$7,797.68	\$886.89	\$11,208.82	(\$3,411.14)	\$15,341.18	\$1,690.10	\$0.36
6172 Motor Vehicles - Or & M	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6176 Household Laundry & Janit	\$2,954.00	\$1,946.56	\$132.68	\$969.60	\$976.96	\$1,984.40	\$455.58	\$0.04
6177 Building & Grounds Security	\$7,964.00	\$3,318.33	\$49.75	\$241.25	\$3,077.08	\$7,722.75	\$663.67	\$0.11
6178 Garbage Services	\$3,000.00	\$1,250.00	\$13.16	\$57.80	\$1,192.20	\$2,942.20	\$250.00	\$0.04
Maintenance Totals	\$40,468.00	\$14,312.57	\$1,082.48	\$12,477.47	\$1,836.10	\$27,990.53	\$3,059.35	\$0.55
Office								
6181 Office Supplies	\$0.00	\$0.00	\$0.00	\$220.00	(\$220.00)	(\$220.00)	\$0.00	\$0.00
Office Totals	\$0.00	\$0.00	\$0.00	\$220.00	(\$220.00)	(\$220.00)	\$0.00	\$0.00

Cost Information

DFCM continues to emphasize cost control measures even in times of tremendous program growth. DFCM's overall rates continue to be less than other industry providers and this benefits those agencies using Facilities Management services. The following graph shows the growth in revenue dollars, square feet managed, and FTE's from Fiscal Year 1996 through 2006. Also shown is DFCM's cost control efforts as compared to the private sector and U.S. Government during the same time period.



The Electronics Resource Group (ERG) provides support throughout the state for all automated mechanical, access, and fire detection systems. Modern mechanical systems require constant monitoring. When these systems malfunction and the problem cannot be resolved by on-site staff, ERG employees respond to troubleshoot and make necessary adjustments. Fire detection systems also are part of a building's overall mechanical system and are required by law to have periodic inspections and service. This function also is handled by the ERG employees and has eliminated the need for more costly vendor service contracts.

Statewide Networking

Staff continues to make progress and expand DFCM's ability to monitor and access automated control systems throughout the state. New technology is enabling the Division to provide access and monitoring capabilities via the Internet. This has greatly improved DFCM's ability to remotely monitor its managed facilities. This enables staff to identify system problems quickly and make the changes necessary for proper functioning. Being able to resolve problems quickly not only benefits building occupants, but also reduces energy usage and potential damage to equipment.



Fire Systems Testing

DFCM's fire system program is fully implemented and has become a very successful part of its operation.

Each fire detection device in every managed building has been identified and a testing schedule has been developed for those devices. Routine tests are conducted as required by the state's fire code. Backflow preventers also are inspected by this group. This inspection is a valuable service, particularly to those buildings located in rural communities where certified inspectors may not be available.

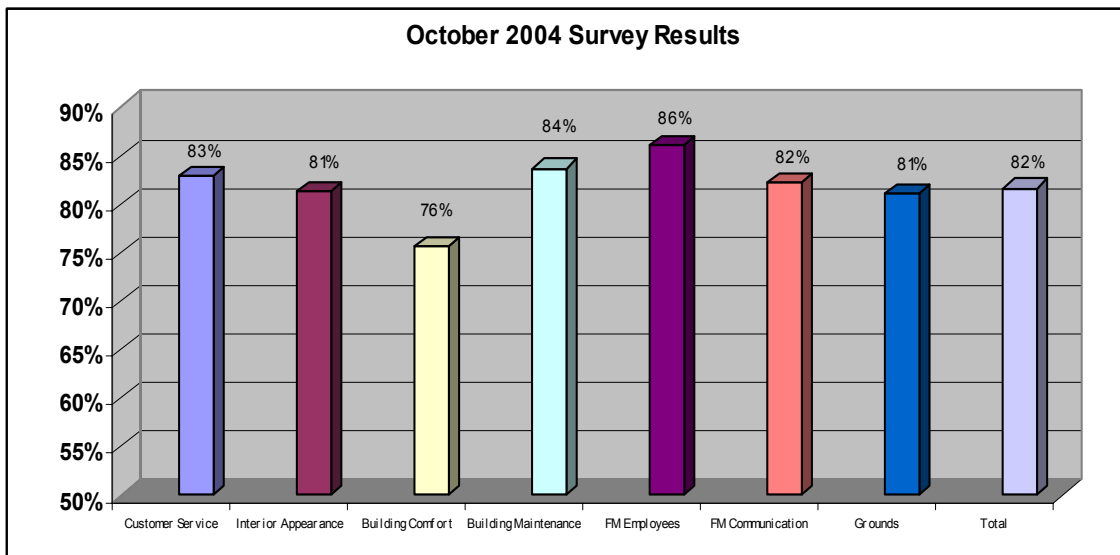
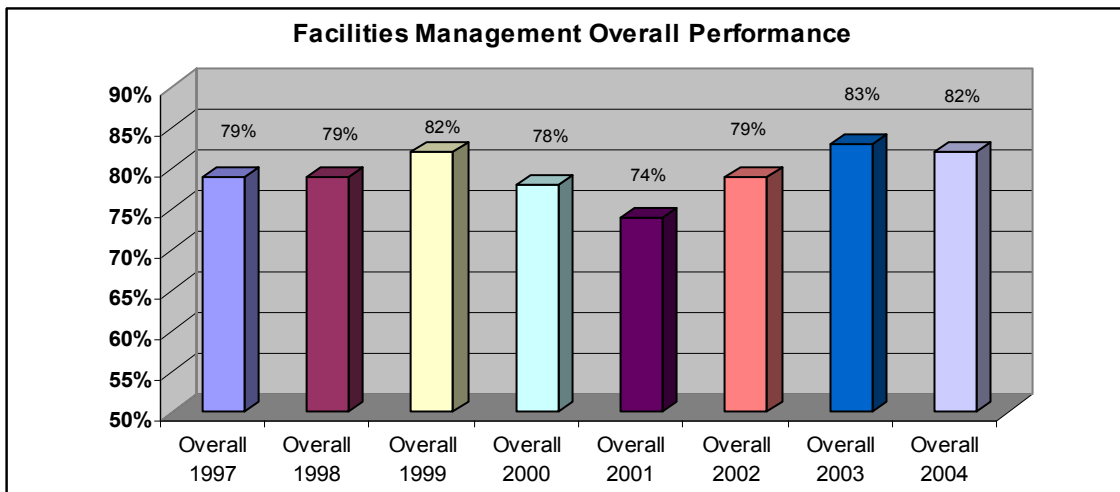
Agency Assistance

Other state agencies routinely ask DFCM for assistance with their mechanical systems. The Electronics Resource Group continues to provide this assistance as time and resources allow. During the past year the group has supported numerous state agencies at locations not under a maintenance agreement with DFCM.

Each year the Division conducts a customer service survey of representatives from the state agencies that occupy its buildings. The survey is available on-line and collects customer's opinions on the level of service provided at their buildings. The survey requests their input on staff and management customer service, interior appearance, building comfort and maintenance, employee behavior, conflict resolution, communication, and grounds, including snow removal and landscaping services.

Survey results are distributed to Division staff so they can read the comments made by their building occupants, identify areas of concern, and celebrate reported successes. Management and staff work together to address any areas of concern to reach a workable solution for all parties, and successes are noted and built upon. The surveys are one of the most important feedback mechanisms available to the ISF. The information from the surveys become the basis for many of the management decisions made for each building and offer opportunities to grow and improve.

DFCM's overall customer service scores have remained high. The following graphs show the scores over the eight years that the Division has been conducting customer service surveys in its buildings. The ISF intends to respond to the information found in the surveys to continue to provide the level of service its customers expect.



EMPLOYEE DEVELOPMENT

Facilities Management believes in providing training for employees which can be applied to their everyday work activities. DFCM also believes in giving staff every opportunity to progress, and encourages involvement with the broad range of training available.

Management Training

Facilities Management is committed to hiring from within wherever possible and uses its training programs to groom and develop employees to prepare for and take on greater responsibilities. This practice increases employee morale and encourages staff to look for improvement opportunities and to keep their skills sharp. Many DFCM managers joined the Division at the craftsman level and, through a combination of high work ethics and quality training programs, have progressed to management positions.

Almost every manager that advances through the ranks has benefited from a program offered by the Employer's Council, (formerly through Utah State University Business Institute). The training is available on several levels; a first time supervisory course, a course for managers with some experience under their belt, and a course for the seasoned manager. The course for novice supervisors runs five weeks and covers the basic, essential skills that a supervisor needs to be successful. The management course runs six weeks and builds on the foundation laid in the five week course, covering issues from



motivation and leadership to employee selection and performance. Finally, seasoned managers are eligible to complete a "Mastering Management" program geared to update and improve existing skills, and encourage them to "think outside the box." The format of these training programs is one of active individual and team participation, assignments, and demonstrations in the classroom using real life problems and issues brought by the class participants. This format brings Facilities Management the most return for its training dollar. Employees who have completed these programs receive real work-related, hands-on training that they can put to use immediately.

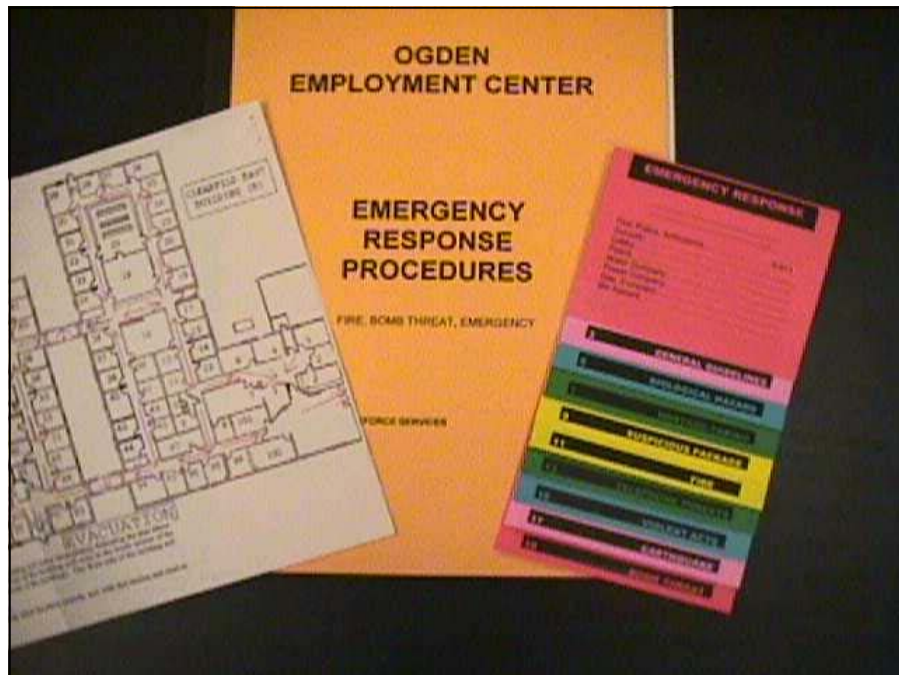
Technological Training

As in any business, keeping up with technology is key to success. As technology advances, Facilities Management recognizes the importance in keeping staff's skills sharp. Employees are encouraged to utilize software and other technological training that is offered. There is a wide variety of training courses available. Employees can choose from self-paced on-line courses to full day classroom sessions, enabling them to find courses that fit their schedules and learning styles. A variety of monthly publications also are available, providing resources for finding solutions to specific problems.

Safety and Emergency Response Training

Facilities Management crafts and grounds people work in a variety of settings with the potential for risk. The Division recognizes our responsibility to our staff, and seeks to promote safety awareness and accident prevention. A web-based safety training program tailored to the unique needs of a facilities maintenance organization was developed, and is reinforced annually, keeping DFCM staff in compliance with federal government regulations.

This year needed updates and improvements to the program are being made, and all employees will be given the updated program. This program includes seven OSHA required courses and a drivers' certification course. During 2003, 180 DFCM employees received in-house first aid training, certifying them for two years. As needed, various specialty emergency response training courses are offered, such as elevator evacuation practice review, fire extinguisher training, post-hazardous evaluation courses, etc. Yearly building evacuation drills at each complex are held and building evacuation plans are updated annually.



Skills Training

In keeping with DFCM's philosophy of promoting employee development, Division staff has developed a training program that will provide crafts level employees and support staff with the opportunity to further develop their professional skills. A program to provide apprentice and journey level training through Salt Lake Community College for crafts employees has been available and is being utilized. However, improvements to the program are needed and Facilities Management has contacted other like entities for their support. Currently staff members are working with Granite and Jordan School Districts and UTA to help improve the current program through the college and tailor it to each entities' needs. It is DFCM's intention to make this a federally accepted apprenticeship program. Plans are in place to kick it off in the fall of 2005.

The maintenance apprenticeship program consists of core courses in electricity, plumbing, heating and air conditioning, pipefitting, carpentry, trowel trades, and painting. Elective courses will be available where appropriate, such as arc welding, mechanical systems (engines), and an extended HVAC and applied controls course.

There is a groundskeeping leg to the program, consisting of courses in plumbing/pipefitting, small engine repair and maintenance, landscape and water conservation, electrical applications, pest control and management, fundamentals of soil science and horticulture, woody plants and turf grass management, and tree care. All participants in the apprenticeship program are eligible for administrative salary increases upon completion of the required curriculum.

EMPLOYEE DEVELOPMENT

Skills training for support staff now is available and is being utilized. Managers are provided with a matrix to use to determine the training needs of their staff and match identified needs with acceptable options of study. With management approval, an employee electing to participate in the program who successfully completes the required elements can receive a one step administrative salary adjustment. Available areas of development include accounting and financial skills, analyzing and formatting data, written and oral communication, leadership and management development, technological development, and other related areas. This program is specifically geared to promote educational opportunities for support staff, and to offer skill building in the areas needed. Only college level courses are approved for this program. In many areas, employees are required to complete two full semesters of study before becoming eligible for the increase. This program operates under the same requirements as the maintenance apprenticeship program and affords the office staff the same level of opportunity that the Division's crafts employees enjoy.

Maintenance Employee Representative Group

In 2001, DFCM conducted an employee feedback survey. One of the suggestions that came out of this survey was the desire of the staff to be able to voice their opinions and be more involved in what goes on at DFCM. Consequently, a group of non-management employees was formed to meet and discuss issues that were voiced in the informal, day to day interaction between employees. This Maintenance Employee Representative (MER) Group consists of representatives from each complex which act as go-betweens for any issues, problems, ideas, or solutions which fellow employees do not feel comfortable in taking to their supervisors. These meetings are held without a manager present, but if an issue has reached the point where a manager's feedback is necessary or helpful, a member of management is invited to the meeting.

The MER Group continues to be a vital part of Facilities Management. The information that has been brought to management through this group has benefitted DFCM's operation in establishing policies and procedures. This group also has provided ideas in many other areas. Without honest employee feedback, management can not operate a successful department and provide effective employee growth and development.



New Legislative Building on Capitol Hill

STATEWIDE FACILITY FOCUS PROGRAM

In 1999, DFCM purchased and implemented a computerized maintenance management system called Facility Focus (formerly called FME). This program is multifaceted and provides overall maintenance management solutions. These include corrective and preventative maintenance, property, contract and project management, purchasing and financial status information, plus other areas related to property management.

Because of the Division's successful use of the database, DFCM secured a statewide site license for the product. This agreement allows any state agency or higher education institution to use this resource at a greatly reduced cost. DFCM has developed this as a cost recovery service. To cover these costs, agencies pay a yearly support and license fee to DFCM to use Facility Focus. Agencies and universities wishing to take part in this program pay only for actual support and licensing costs incurred by DFCM to support this effort. As participation grows, fixed costs, such as software maintenance fees, database hosting, etc., will continue to be distributed across a larger user base. This will reduce user costs for all participants due to economy of scale.

Participating Organizations

Agencies and universities participating in this program to date are:

Department of Alcoholic Beverage Control
Dixie State College
Davis Applied Technology Center
Ogden/Weber Applied Technology College
Bridgerland Applied Technology College
Department of Corrections

Utah Valley State College
College of Eastern Utah
Snow College
Southern Utah University
Weber State University
Department of Human Services

Other agencies and universities continue to be brought into this program. This trend is expected to continue for the near future. This is a great opportunity to standardize building information across agencies, in addition to improving the maintenance of buildings and their associated equipment.

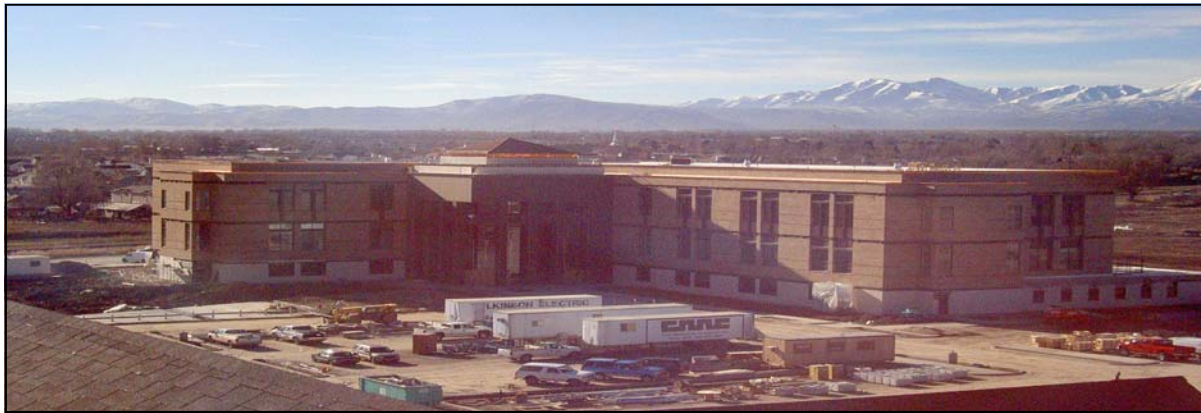
Management of the Facility Focus database does place a strain on DFCM resources. The Division must provide technical resources to implement and train agency staff and purchase new computer equipment, such as servers and licenses for agencies. While this program still is developing, the statewide use of a single maintenance management system will prove well worth the resources and will provide a cost savings in the years to come.

CHALLENGES & OPPORTUNITIES FOR THE FUTURE

The Division is continually affected by many external forces. Management attempts to identify these factors and prepare for the potential impact in advance. The following challenges are anticipated during the coming year.

Growth

The Facilities Management section continues to grow in total number of facilities managed each year. In Fiscal Year 1996, DFCM directly managed 44 programs and just over 3 million square feet of space. Today that number has grown to 141 programs and over 5.5 million square feet. As new buildings are constructed annually, many of these are being added to DFCM's operation. This is a result of continued cost effective, quality service that meets agency needs. Many agencies now automatically contract with DFCM for their maintenance needs as they increase space.



New West Jordan Courts Construction Site

In an effort to be positioned to meet this continued growth trend, DFCM is constantly projecting possible future needs. This consists not only of increasing staff as required, but also continuing to train and prepare current employees to have the proper skill levels needed. One of DFCM's greatest strengths is its ability to provide consistent services throughout all parts of the state. This only can be accomplished by properly preparing staff and related support systems in advance.

Another related challenge is the large geographic area serviced. The continued addition of facilities has, and will continue to require adjustments to our management groups located throughout the state. Being prepared to meet these demands within current budget constraints often can be a difficult task. Additionally, space requirements for the Division's central office and support functions could become an issue in the near future. These, along with other issues, are always being discussed and planned for as DFCM conducts its business.

Security and Disaster Preparedness

With the impact of recent events, security and disaster preparedness have become a major concern of building managers. However, DFCM's role in security is one of facilitator. DFCM does not provide security or security personnel to any building. Based on occupant needs, the Division may provide contracting services for the agencies to secure a private sector security vendor. In other cases law enforcement agencies coordinate security efforts for certain buildings. DFCM intends to continue its role of facilitator and will not provide any direct security services.

CHALLENGES & OPPORTUNITIES FOR THE FUTURE

The Division's role in disaster preparedness for its buildings is significantly greater. As previously indicated, Facilities Management has developed evacuation plans for each of its buildings. DFCM also maintains agency hygiene plans, which indicate the means to deal with potential hazardous materials in specific buildings, if they are necessary. Furthermore, DFCM has developed its own disaster response program (Facilities Disaster Response Program) which will be used to guide employees and identify available resources in the event of an emergency. As mentioned previously, this program facilitates establishing a command center during an emergency.

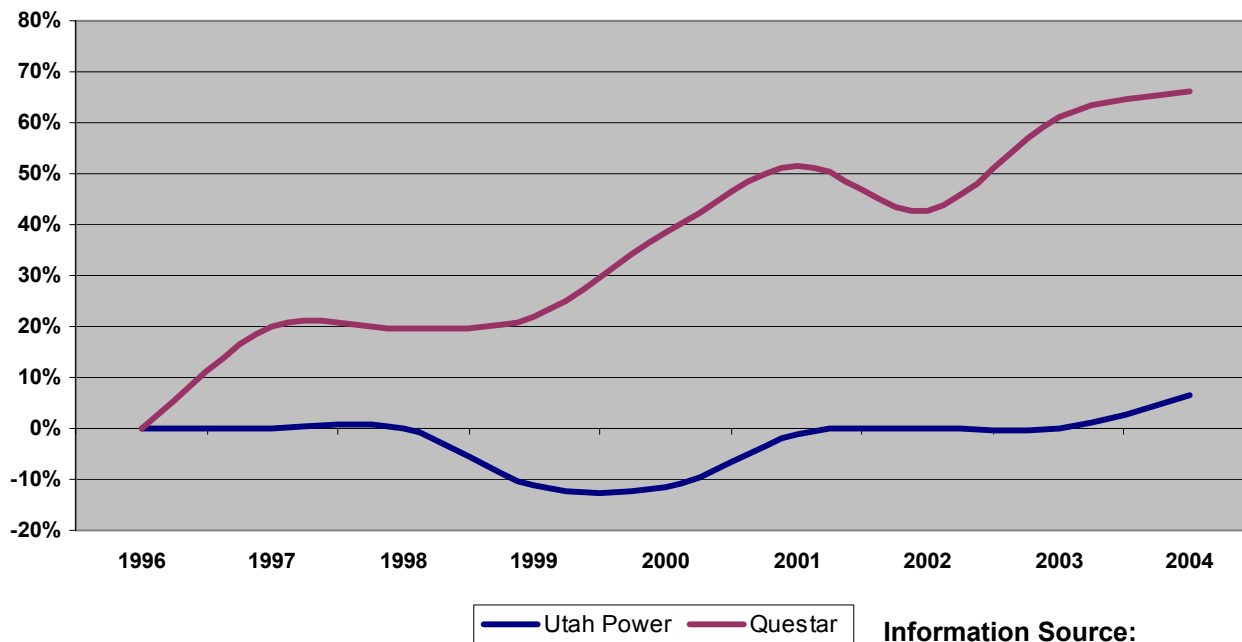
Capital Improvement Funding

Capital improvement funding has been, and most likely will continue to be, an issue of concern. Currently, capital needs far outpace improvement funding. As the state continues to fall further behind in capital repairs, these costs will escalate. Properly investing in state owned building assets would extend the useful life of not only major components, but the buildings themselves.

Utilities and Natural Resources

Building management, by its nature, requires natural resources. Natural gas, water, and electric supplies are all critical components of a facility. Therefore, fluctuation of utility costs and utility availability impact building management significantly. During the past several years Utah has seen rising utility costs, coupled with shortages of electricity during summer months and a significant drought. These changes have impacted state facilities and their occupants. Costs required to keep buildings operational have increased with rising utility prices. Average building temperatures have had to be increased during the summer months and decreased during winter months to

Utah Power and Questar Gas Annual Rate Increase



Information Source:
Utah Power-Tenney Clawson
Questar Gas
Public Service Commission

reduce energy consumption. Landscape watering at facilities has been scaled back to certain times of the day and a new focus on drought resistance landscaping has accompanied this change. Lush green lawns and extravagant, water consuming flower beds typically seen at state facilities for many years may be a thing of the past. In addition to water conservation measures associated with landscaping, DFCM also is addressing water reduction for interior building systems, such as cooling towers and fixtures. Constant effort will be required to reduce the overall water consumption at state facilities. Facilities Management has struggled with these increasing costs and shortages, as have building occupants. In a time of budget shortages, these factors have become even larger issues. Since these issues have no foreseeable resolution, DFCM staff will continue to focus significant time on managing resources in state facilities.

Delegation

It has been several years since DFCM was given the authority to grant or deny delegation of building management responsibilities to state agencies. Prior to July, 2003, all agencies requesting to retain building management have been approved. However, DFCM did revoke the maintenance delegation for 18 National Guard facilities located throughout the state. DFCM now is providing maintenance services to these locations and the working relationship with this group has greatly improved. A few other state agencies continue to make slow progress towards meeting the statewide preventive maintenance standards. Audit scores have shown deficiencies for many years with little, if any progress being made to improve preventive maintenance programs. The Division is taking a closer look at examining delegation to certain agencies. The issue of delegation will be thrust to the forefront of discussion if delegation is revoked for certain state agencies. Many issues surrounding the revocation of delegation will need to be addressed when and if this occurs.



West Valley Driver License Building